

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Products Price Changes  
Rates of General Applicability

Docket No. CP2023-42

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued November 18, 2022)

To clarify the USPS Notice of Changes in Rates and Classifications of General Applicability for Competitive Products, filed November 10, 2022,<sup>1</sup> the Postal Service is requested to provide a written response to the following questions. The response is due no later than November 28, 2022.

1. The Postal Service states that "Competitive Post Office Box prices will be increasing 6.5 percent, on average, within the existing price ranges." Notice, Governor's Decision No. 22-6 at 4. Please confirm that the Postal Service did not include Competitive Post Office Box prices and supporting data in the financial workpapers filed in support of the Notice. If confirmed, please file the missing prices and supporting data. If not confirmed, please explain.
2. Please refer to Docket Nos. MC2022-1 and MC2022-82, USPS Notice of Revised Effective Date, Pursuant to Governors' Decision 22-4.<sup>2</sup> The Postal Service states "[t]he classifications that are the subject of the instant dockets shall now be effective at such time in calendar year 2023 as management

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<sup>1</sup> USPS Notice of Changes in Rates and Classifications of General Applicability for Competitive Products, November 10, 2022 (Notice). The Notice also includes the Decision of the Governors of the United States Postal Service on Changes in Rates and Classifications of General Applicability for Competitive Products (Governors' Decision No. 22-6).

<sup>2</sup> Docket Nos. MC2022-81 and MC2022-82, USPS Notice of Revised Effective Date, Pursuant to Governors' Decision 22-4, August 16, 2022 (Docket Nos. MC2022-81 and MC2022-82 Notice).

considers appropriate.” Docket Nos. MC2022-81 and MC2022-82 Notice at 1. Please also refer to Docket No. CP2022-99, USPS Response to Chairman’s Information Request No. 1.<sup>3</sup> The Postal Service confirmed that it expects to set the effective date of the classification changes that are the subject of Docket Nos. MC2022-81 and MC2022-82 on or after January 22, 2023. Docket No. CP2022-99 Response to CHIR No. 1, question 1.

- a. Please discuss the Postal Service’s timeline for proposing the new Competitive rates required to implement these classification changes.
  - b. Please discuss the expected impact of these classification changes on extant negotiated service agreements (NSAs), including the interaction of annual price adjustment provisions with the forthcoming new Competitive rates mentioned in Docket No. CP2022-99 Response to CHIR No. 1, question 2. a. Please also indicate whether the Postal Service expects to file related amendments to extant NSAs and provide an estimate of the anticipated number of such filings and the timeline for submitting such filings to the Commission.
3. The Postal Service states that it “will be eliminating the Priority Mail Regional Rate Boxes (RRBs) offering. The intent of this change is to eliminate the redundancy of RRBs with Priority Mail Cubic, save some packaging supply costs, and simplify the Priority Mail rate structure.” Notice at 3. Please provide the following data for each fiscal year from FY 2017 through FY 2021 for Priority Mail RRBs and Priority Mail Cubic: volume, revenue, average Weight by zone, average Cubic Feet by zone, unit attributable cost (unit mail processing cost, unit transportation cost, unit delivery cost, unit packaging supplies cost), and the number of NSAs that include Priority Mail RRBs and/or Priority Mail Cubic mailpieces.

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<sup>3</sup> Docket No. CP2022-99, USPS Response to Chairman’s Information Request No. 1, with Material Filed Under Seal, August 25, 2022 (Docket No. CP2022-99 Response to CHIR No. 1).

4. The Postal Service states “[f]or several of its competitive products, the Postal Service will be splitting out the existing “Zone L,1,2” category into separate Zone 1 and Zone 2 categories. The Local Zone will be eliminated.” Notice at 4.
  - a. Please specify how the affected zones will be defined after this change.
  - b. Please identify all the Competitive products that will have the existing “Zone L,1, 2” category split into Zone 1 and Zone 2 categories.
  - c. Please describe the process that the Postal Service used to split the existing “Zone L,1, 2” category into Zone 1 and Zone 2 for each affected Competitive product.
  - d. Please identify the tab(s) and the Excel spreadsheet(s) that demonstrate the zone split for each affected Competitive product.
5. Please refer to Excel files “RFLiteReport2021-2023AR.V26AR Jan BY21 FY2023.xlsx,” “RFLiteReport2021-2023AR.V27AR OCT BY21 FY2023.xlsx,” and “RFLiteReport2021-2023BR.V17BR BY21 FY2023.xlsx,” November 10, 2022, which were filed in support of the Notice. Please confirm that the values found in tab “CPCContribSum,” cells E39:E40 in the referenced Excel files are incorrect. If confirmed, please provide corrected financial workpapers, including the underlying formulas. If not confirmed, please explain.

By the Chairman.

Michael Kubayanda